

HOUSE BILL 884

C5, L5, N1

2lr0726

By: **Delegates Summers, Bobo, Braveboy, Gaines, Healey, Holmes, Howard, Ivey, Jacobs, Jones, Kaiser, Lafferty, McDonough, Niemann, B. Robinson, Stocksdale, and Zucker**

Introduced and read first time: February 9, 2012

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electric, Gas, and Water Service – Default Notice to Condominium Unit**
3 **Owners and Residents**

4 FOR the purpose of requiring certain persons that directly bill the governing body of a
5 condominium or a person designated by the governing body for the water,
6 electric, or gas service to post notice at certain affected condominium units and
7 mail notice to the last known address of the owners of certain affected
8 condominium units when a certain charge is in default for a certain time period;
9 authorizing certain persons to enter onto the common area of certain
10 condominium property at certain times to post a certain notice on or near the
11 entry of certain units; providing for the application of certain provisions of this
12 Act; and generally relating to the provision of default notice for electric, gas, and
13 water service to condominium property.

14 BY repealing and reenacting, without amendments,
15 Article – Environment
16 Section 9–662(l) and 9–724(c)
17 Annotated Code of Maryland
18 (2007 Replacement Volume and 2011 Supplement)

19 BY adding to
20 Article – Environment
21 Section 9–662(o) and 9–724(d)
22 Annotated Code of Maryland
23 (2007 Replacement Volume and 2011 Supplement)

24 BY repealing and reenacting, with amendments,
25 Article – Environment
26 Section 9–726.1

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Annotated Code of Maryland
(2007 Replacement Volume and 2011 Supplement)

BY adding to
Article – Public Utilities
Section 7–307.2
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 25–504
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
MARYLAND, That the Laws of Maryland read as follows:

Article – Environment

9–662.

(l) If a water bill is unpaid for 30 days after being sent, and after written notice is left on the premises or mailed to the last known address of the owner, the sanitary commission may:

(1) Disconnect water service to the property; and

(2) Require, before reconnecting water service, payment of the entire water bill plus a reconnection charge reasonably related to the cost of reconnection, as established by ordinance of the governing body of the county or municipal corporation in which the water service is provided.

(O) (1) THIS SUBSECTION APPLIES ONLY TO PROPERTY SUBJECT TO A CONDOMINIUM REGIME ESTABLISHED UNDER TITLE 11 OF THE REAL PROPERTY ARTICLE.

(2) NOTWITHSTANDING ANY OTHER LAW, IF THE SANITARY COMMISSION DIRECTLY BILLS THE GOVERNING BODY OF A CONDOMINIUM OR A PERSON DESIGNATED BY THE GOVERNING BODY OF A CONDOMINIUM FOR WATER OR SEWER USAGE CHARGES FOR ALL OR A PORTION OF THE UNITS IN A CONDOMINIUM PROPERTY, AND A CHARGE IS IN DEFAULT FOR AT LEAST 60 DAYS, THE SANITARY COMMISSION SHALL:

(I) POST NOTICE AT EACH AFFECTED UNIT OF THE CONDOMINIUM; AND

1 **(II) MAIL NOTICE TO THE LAST KNOWN ADDRESS OF THE**
2 **OWNER OF EACH AFFECTED UNIT.**

3 **(3) THE SANITARY COMMISSION MAY ENTER ONTO THE COMMON**
4 **AREA OF A CONDOMINIUM PROPERTY AT A REASONABLE TIME TO POST THE**
5 **NOTICE REQUIRED UNDER THIS SUBSECTION AT OR NEAR THE ENTRY OF EACH**
6 **AFFECTED UNIT.**

7 9-724.

8 (c) (1) The political subdivision shall send bills for water service to the
9 property, the property owner, or the property owner's designee for each property
10 served on a monthly, quarterly, or semiannual basis.

11 (2) The bills are payable at the office of the political subdivision on
12 receipt.

13 (3) If any bill remains unpaid after 30 days from the date the bill is
14 sent, the political subdivision shall:

15 (i) Notify the owner of the property served, in writing, that the
16 bill is in arrears and that water service will be discontinued;

17 (ii) Leave the notice on the owner's property or mail the notice
18 to the last known address of the owner; and

19 (iii) Discontinue water service to the property until the owner
20 pays the bill and a reconnection charge reasonably related to the cost of reconnection,
21 as established by ordinance of the governing body of the county or municipal
22 corporation in which the water service is provided.

23 (4) If any bill remains unpaid after 60 days from the date of sending
24 the notice:

25 (i) The bill and the penalty imposed under paragraph (3)(iii) of
26 this subsection shall be collectible from the property owner in the same manner and
27 subject to the same interest as taxes are collectible in the county in which the water or
28 sewerage system lies; and

29 (ii) The water service charges and all penalties shall be a first
30 lien on the property.

31 **(D) (1) THIS SUBSECTION APPLIES ONLY TO PROPERTY SUBJECT TO**
32 **A CONDOMINIUM REGIME ESTABLISHED UNDER TITLE 11 OF THE REAL**
33 **PROPERTY ARTICLE.**

1 **(2) NOTWITHSTANDING ANY OTHER LAW, IF THE POLITICAL**
2 **SUBDIVISION DIRECTLY BILLS THE GOVERNING BODY OF A CONDOMINIUM OR A**
3 **PERSON DESIGNATED BY THE GOVERNING BODY OF A CONDOMINIUM FOR**
4 **WATER OR SEWER USAGE CHARGES FOR ALL OR A PORTION OF THE UNITS IN A**
5 **CONDOMINIUM PROPERTY, AND A CHARGE IS IN DEFAULT FOR AT LEAST 60**
6 **DAYS, THE POLITICAL SUBDIVISION SHALL:**

7 **(I) POST NOTICE AT EACH AFFECTED UNIT OF THE**
8 **CONDOMINIUM; AND**

9 **(II) MAIL NOTICE TO THE LAST KNOWN ADDRESS OF THE**
10 **OWNER OF EACH AFFECTED UNIT.**

11 **(3) THE POLITICAL SUBDIVISION MAY ENTER ONTO THE COMMON**
12 **AREA OF A CONDOMINIUM PROPERTY AT A REASONABLE TIME TO POST THE**
13 **NOTICE REQUIRED UNDER THIS SUBSECTION ON OR NEAR THE ENTRY OF EACH**
14 **AFFECTED UNIT.**

15 9-726.1.

16 (a) If a bill for sewerage service is unpaid for 45 days after being sent, a
17 political subdivision may disconnect water service to the property.

18 (b) Before disconnecting water service under this section, the political
19 subdivision shall provide notice:

20 (1) By mail sent to the last known address of the owner of the
21 property; or

22 (2) By posting the notice on the premises of the property served.

23 (c) (1) This subsection applies if a political subdivision:

24 (i) Provides sewerage service to a property; but

25 (ii) Does not provide water service to the property and water
26 service is provided to the property by another political subdivision or by a private
27 water company.

28 (2) If a political subdivision advises another political subdivision or a
29 private water company that a bill for sewerage service is unpaid for 45 days after
30 being sent, subject to the notice provisions under subsection (b) of this section, the
31 political subdivision or private water company informed of the unpaid bill may
32 disconnect water service to the property.

(d) (1) Before reconnecting water service, a political subdivision may require full payment of the sewerage bill plus a reconnection charge reasonably related to the cost of reconnection, as established by regulation of the political subdivision.

(2) A private water company may apply a reasonable reconnection charge, in accordance with the ratemaking requirements of Title 4 of the Public Utilities Article, when it reconnects water service.

(e) This subsection does not preclude the use of any other procedure available to a political subdivision to collect unpaid sewerage charges.

(F) (1) THIS SUBSECTION APPLIES ONLY TO PROPERTY SUBJECT TO A CONDOMINIUM REGIME ESTABLISHED UNDER TITLE 11 OF THE REAL PROPERTY ARTICLE.

(2) NOTWITHSTANDING ANY OTHER LAW, IF THE POLITICAL SUBDIVISION DIRECTLY BILLS THE GOVERNING BODY OF A CONDOMINIUM OR A PERSON DESIGNATED BY THE GOVERNING BODY OF A CONDOMINIUM FOR WATER OR SEWER USAGE CHARGES FOR ALL OR A PORTION OF THE UNITS IN A CONDOMINIUM PROPERTY, AND A CHARGE IS IN DEFAULT FOR AT LEAST 60 DAYS, THE POLITICAL SUBDIVISION OR PRIVATE WATER COMPANY INFORMED OF THE UNPAID BILL SHALL:

(i) POST NOTICE AT EACH AFFECTED UNIT OF THE CONDOMINIUM; AND

(ii) MAIL NOTICE TO THE LAST KNOWN ADDRESS OF THE OWNER OF EACH AFFECTED UNIT.

(3) THE POLITICAL SUBDIVISION MAY ENTER ONTO THE COMMON AREA OF A CONDOMINIUM PROPERTY AT A REASONABLE TIME TO POST THE NOTICE REQUIRED UNDER THIS SUBSECTION ON OR NEAR THE ENTRY OF EACH AFFECTED UNIT.

Article – Public Utilities

7-307.2.

(A) THIS SECTION APPLIES ONLY TO PROPERTY SUBJECT TO A CONDOMINIUM REGIME ESTABLISHED UNDER TITLE 11 OF THE REAL PROPERTY ARTICLE.

1 **(B) NOTWITHSTANDING ANY OTHER LAW, IF A PUBLIC SERVICE**
2 **COMPANY BILLS THE GOVERNING BODY OF A CONDOMINIUM OR A PERSON**
3 **DESIGNATED BY THE GOVERNING BODY OF A CONDOMINIUM FOR ELECTRIC,**
4 **GAS, OR WATER SERVICE FOR ALL OR A PORTION OF THE UNITS IN A**
5 **CONDOMINIUM PROPERTY, AND THE CHARGE FOR SERVICE IS IN ARREARS FOR**
6 **AT LEAST 60 DAYS, THE PUBLIC SERVICE COMPANY SHALL:**

7 **(1) POST NOTICE AT EACH AFFECTED UNIT OF THE**
8 **CONDOMINIUM; OR**

9 **(2) MAIL NOTICE TO THE LAST KNOWN ADDRESS OF THE OWNER**
10 **OF EACH AFFECTED UNIT.**

11 **(C) THE PUBLIC SERVICE COMPANY MAY ENTER ONTO THE COMMON**
12 **AREA OF A CONDOMINIUM PROPERTY AT A REASONABLE TIME TO POST THE**
13 **NOTICE REQUIRED UNDER THIS SECTION ON OR NEAR THE ENTRY OF EACH**
14 **AFFECTED UNIT.**

15 25–504.

16 (a) The Commission:

17 (1) may provide for the billing and collection of the water and sewer
18 usage charges on an estimated basis for periods of 6 months or less, based on the
19 historical daily average consumption calculated from actual previous usage;

20 (2) shall read the meter at least once every 6 months; and

21 (3) (i) shall base the final bill for the 6–month period on the actual
22 consumption adjusted by previous estimates, if the meter had not been read because it
23 was inaccessible;

24 (ii) shall base the final bill for the 6–month period on the
25 historical daily average consumption, calculated from actual previous usage, if a final
26 reading cannot be made because:

27 1. the meter malfunctioned;

28 2. the meter had been taken out of service for repairs,
29 maintenance, or water system relining purposes; or

30 3. there was theft of service;

31 (iii) may modify the historical daily average consumption
32 calculation based on appropriate evidence submitted by the owner; and

(iv) may not base a final bill on estimated usage for two consecutive 6-month periods.

(b) (1) The Commission shall bill for the amount of water and sewer usage charges to each property served monthly, four times a year, or twice a year, as the Commission determines.

(2) On receipt each bill is payable to the Commission.

(c) (1) A late payment charge of 5% of the unpaid charges shall be added and collected as part of the bill if:

(i) the Commission sends out a bill for water and sewer usage charges in the regular course of business;

(ii) for a service period of less than 3 months, the bill is not paid 20 days from the date of sending; or

(iii) for a service period of 3 months or more, the bill is not paid 30 days from the date of sending.

(2) The late payment charge is in addition to and not in substitution for or derogation of any other right or remedy granted to the Commission by any other law.

(d) (1) If a bill is not paid within 30 days after the date of sending, after leaving written notice on the premises or mailing notice to the owner's last known address, the Commission shall turn off the water to the property.

(2) The water may not be turned on again until the bill, any late payment penalty charges as authorized by law, and the cost incurred in shutting off and restoring the water supply are paid.

(e) If a bill is not paid within 60 days after the date of sending, the bill shall be collected against the owner of the property served in the same manner as other debts are collected in Montgomery County and Prince George's County.

(f) (1) THIS SUBSECTION APPLIES ONLY TO PROPERTY SUBJECT TO A CONDOMINIUM REGIME ESTABLISHED UNDER TITLE 11 OF THE REAL PROPERTY ARTICLE.

(2) NOTWITHSTANDING ANY OTHER LAW, IF THE COMMISSION DIRECTLY BILLS THE GOVERNING BODY OF A CONDOMINIUM OR A PERSON DESIGNATED BY THE GOVERNING BODY OF A CONDOMINIUM FOR WATER OR SEWER USAGE CHARGES FOR ALL OR A PORTION OF THE UNITS IN A

1 CONDOMINIUM PROPERTY, AND A CHARGE IS IN DEFAULT FOR AT LEAST 60
2 DAYS, THE COMMISSION SHALL:

3 (I) POST NOTICE AT EACH AFFECTED UNIT OF THE
4 CONDOMINIUM; OR

5 (II) MAIL NOTICE TO THE LAST KNOWN ADDRESS OF THE
6 OWNER OF EACH AFFECTED UNIT.

7 (3) THE COMMISSION MAY ENTER ONTO THE COMMON AREA OF A
8 CONDOMINIUM PROPERTY AT A REASONABLE TIME TO POST THE NOTICE
9 REQUIRED UNDER THIS SUBSECTION ON OR NEAR THE ENTRY OF EACH
10 AFFECTED UNIT.

11 (G) The provisions of subsections (b), (d), [and] (e), AND (F) of this section
12 that relate solely to sewer usage charges may not be construed to invalidate an
13 existing contract between the Commission and a municipality located in the sanitary
14 district without the consent of the municipality.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2012.